



Haringey Council

14

Agenda item:

[No.]

Procurement Committee

On 30th September 2008

Report Title: Winkfield Road, Cedar House, Daphne House, Tredegar Road –
Rewiring & Integrated Reception system

Forward Plan reference number

Report of: **Niall Bolger Director of Urban Environment**

Wards(s) affected: **Woodside; Bounds
Green.**

Report for: **Key Decision**

1. Purpose

1.1 This report sets out a proposed programme of works relating to upgrading all electrical installations and upgrading the satellite TV services in preparation for the digital conversion at Winkfield Road, Cedar House, Daphne House, Tredegar Road.

2. Introduction by Cabinet Member

The report has been agreed by the Lead Member for Housing. Cllr Bevan also approves of the fact that residents have been advised about their satellite dishes.

3. Recommendations

3.1 To facilitate the delivery of the electrical installation and satellite upgrade members of the Procurement Committee are requested to agree:

3.2 To award the contract for the above project, to the contractor named in Paragraph 2.2 of Appendix A as allowed under Contract Standing Order (CSO) 11.01(a).

3.3 That the fixed price cost excluding fees as detailed in Para 2.1 of Appendix A be noted.


Report Authorised by: **Niall Bolger, Director of Urban Environment**

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4.0 Comments of the Chief Financial Officer

4.1 Provision for the spend in 2008/09 has been made in the Mechanical & Electrical Services budget within the HRA Capital programme for that year. The balance of the expenditure forecast to be spent in financial years 2009/10 and 2010/11 respectively, will be a first call on resources available in those years.

5.0 Head of Legal Services Comments

- 5.1 The value of this contract is below the threshold for works contracts where tendering in Europe is required under the Public Contracts Regulations 2006 (currently £3,497,313).
- 5.2 Tenders for the contract were invited from the contractors on the Council's Approved List of Specialist Contractors capable of undertaking the required works based on their experience and financial capability.
- 5.3 CSO 8.03(e) allows invitation of tenders from a Council Approved List where one exists in respect of the subject matter of a proposed contract.
- 5.4 The report is recommending that the contract be awarded to the contractor named in Paragraph 2.1 of Appendix A on the basis that they submitted the lowest priced tender.
- 5.5 Under CSO 11.01 (a), contracts can be awarded on the basis of lowest price.
- 5.6 The report states that the statutory leaseholder consultation is currently being undertaken and that no comments have been received from leaseholders to date. The consultation period is however yet to expire as at the date of provision of these comments.
- 5.7 The Council's Arms Length Management Organisation, Homes for Haringey, who undertook the procurement of the contract on behalf of the Council have confirmed that, in accordance with CSO 11.04, details of this contract have been included on the Forward Plan (Version No. 17) as the value of the contract is above the Council's Key Decision threshold of £500,000.

5.8 Cabinet Procurement Committee approval of the proposed award is required, pursuant to CSO 11.03 because the value of the contract is over £250,000.

5.9 The Head of Legal Services confirms that, provided the Council considers comments from leaseholders made between the date of provision of these comments and the expiry date of the statutory leaseholder consultation period (20 September), there are no legal reasons preventing Members from approving the recommendation in Paragraph 3.1 of this report to award the contract to the contractor named in Paragraph 2.1 of Appendix A.

6.0 Head of Procurement Comments

6.1 The contractors chosen for this tender have been selected from the Councils pre-qualified list of contractors.

6.2 A tender was competitively sought in accordance with standing orders CSO 11.01 for lowest price only.

6.3 Homes for Haringey acting as Consultants for this project, recommend that the tender process is offering value for money.

6.4 In summary, this procurement has been appropriately undertaken and the Head of Procurement supports the recommendation made to Members to appoint the contractor as named at paragraph 2.1 of Appendix A.

7.0 Local Government (Access to Information) Act 1985

7.1 List of background documents:

- Tender Report by Design and Engineering, Homes for Haringey, August 2008

7.2 This report contains exempt and non-exempt information. Exempt information is contained in Appendix A of this report and is **NOT FOR PUBLICATION**. The exempt information is under the following category (identified in the amended Schedule 12A of the Local Government Act 1972)

7.3 Information relating to the financial or business affairs of any particular person (including the authority holding that information).

8.0 Strategic Implications

8.1 Homes for Haringey supports and aims to delivery key elements of the Council's Housing Strategy as it relates to providing good quality homes for residents. In meeting the need for good quality and affordable homes, the

ALMO also accepts that it has a duty of care governed by statute to maintain all electrical installations and ensure they are safe.

- 8.2 The rewiring programme forms part of the overall asset management strategy approved by the Council and HfH Board. The 5 year capital programme aims to delivery the strategy on behalf of the Council.
- 8.3 Upgrading the electrical installations will reduce the need for responsive maintenance work and the replacement TV aerial system will prepare properties for digital TV.

9.0 Financial Implications

- 9.1 This scheme is estimated to cost the amount set out in para. 6.1 of Appendix A and is projected to be phased as shown in the same para.
- 9.2 Provision for this exists within the Mechanical and Electrical Works Budget within the Housing Capital Programme.

10.0 Legal Implications

- 10.1 Please refer to Paragraph 5 (above).

11.0 Equality Implications

- 11.1 The proposed works will benefit all residents living in these dwellings. The provision of a digital satellite system will also provide residents from the ethnic community access to channels in their language.

12.0 Consultation

- 12.1 Homes for Haringey have consulted with the residents that will be affected by the works set out in this report. The process of consultation involved detailed newsletters being issued to all residents.
- 12.2 Upon the appointment of the contractor, a meeting will be arranged for the residents to meet the contractor and the Project Team so that any concerns can be addressed.

13.0 Background

- 13.1 The wiring to the blocks has not been renewed since the blocks were constructed approximately 40 years ago. The current system has reached the end of its useful life and needs to be replaced to comply with the current regulations and Health & Safety requirements. The new wiring to these blocks will reduce the need for unplanned maintenance in the future. Landlord services are included in the scheme to bring the whole of the electrical installation to the same standard. The electrical certification for

the complete rewire will negate the need for maintenance work and electrical tests for the dwellings for a period of 10 years and the landlord's installation for a period of 5 years. The project also includes the provision of Integrated Reception System (IRS) core satellite TV services to prepare for digital switch over in 2012.

14.0 Tenders

- 14.1 Tenders were invited from four firms from the Approved List of Contractors.
- 14.2 Tenders were invited on the basis of a fixed price contract for a period of 28 weeks.

Tender 'A' - fixed price contract, for a period of 28 weeks.
Tender 'B' – contractor's offer period

- 14.3 Three out of four contractors invited to tender submitted a tender. The overall range of tenders, that is the difference between the highest and the lowest tenders submitted, was 83%. This was partly due to the very low preliminaries of 2.46% of their tender sum and the vagaries of the construction market at this time.
- 14.4 All tenders are open for acceptance for a period of six months from 15th July 2008, the closing date for receipt of tenders. Therefore tenders should be accepted by 15th January 2008.
- 14.5 The lowest firm price tender received with a contract period of 28 weeks is recommended for acceptance.
- 14.6 Full details of the tendering exercise are laid out in paragraph 3.0 of Appendix A.
- 14.7 Listed below is a summary of contractor details:

Number of dwellings in project:	115
Total fixed price construction cost (excluding fees):	See para. 2.1 of Appendix A
Anticipated Contract start on site:	6 th January 2009
Anticipated Contract completion:	17 th July 2009
Contract duration:	28 Weeks

15.0 Property Address Location

- 15.1 Listed below are the property addresses that will benefit from upgraded electrical installations under this programme. In total here are 115 dwellings in this project which are made up of the following property types:

General Needs Dwellings

Property Address	No of units	Property Type	No of Leaseholders
1-19/78 Winkfield Road	19	Low rise	2, 4, 8
1-26 Daphne House	26	Low rise	3, 4, 6, 7, 12, 14, 15, 17, 18, 19, 23, 25
1-26 Cedar House	26	Low rise	2, 6, 12a
1-44 Tredegar Road	44	Low rise	8, 9, 17, 18, 21, 22, 25, 26, 28, 31, 35, 36, 41

16.0 Schedule of works

16.1 The project entails the complete electrical rewire of all council owned dwellings and the landlord services including the communal lighting, lightning protection systems and provision of TV core services IRS (integrated reception system). Further details are set out below.

16.2 Digital Satellite Provision

16.3 The provision of an integrated satellite reception system will reduce the quantity of satellite dishes affixed to the property and reduce damage to the building fabric. Under this scheme, the satellite upgrade will provide Sky, Turksat and Hotbird for residents.

16.4 Residents were written to on 10 September advising them to remove their individual dish. Where dishes have not been removed, instructions will be given to the contractor to remove them. The relevant tenancy officer will be provided with the details in order to pursue enforcement action should the dishes be erected after completion of the works.

16.5 Sustainability

16.6 The procurement of materials and components to be used during the decent homes programme will involve the selection of products that have a positive impact on the environment. The new wiring contains an element of copper; a material that can be recycled at the end of its useful life and will reduce the need for maintenance as testing of the electrical system is carried out after ten years for dwellings and five years for the landlord's services.

16.7 Conservation Areas

16.8 The properties within this project are not located in conservation area.

17.0 Leasehold Implications

- 17.1 As a result of applications made under the Right to Buy legislation, there are 31 leaseholders living in the properties affected by the works described in this report.
- 17.2 Under the terms of their lease the lessee is required to make a contribution towards the cost of maintaining in good condition the main structure, the common parts and common services of the building. Such contributions are recovered by the freeholder through the lessees service charge account.
- 17.3 In accordance with the Landlord and Tenant Act 1985, the Council as freeholder, has obtained competitive prices, and subject to the Procurement Committee's agreement the Council will award this contract to the lowest tender.
- 17.4 The Housing Service issued to the following Section 20 Notices to the leaseholders:
- Notice of Intention issued on 07/12/07 and expired on 06/01/08
- A second Section 20 Notice (notice of estimates) was issued on 21/08/08 and is due to expire on 20/09/08
- The notices gave a description of the proposed works and provided details of two estimates for the costs of the works.
- 17.5 The total amount estimated to be recovered from 31 leaseholders is £138,783.
- 17.6 Leaseholders total estimated recoverable charges within the 5 year Section 125 period is nil.
- 17.7 Leaseholders outside of the 5 year Section 125 period, the total estimated recoverable charges is £138,783
- 17.8 The charges to all 31 leaseholders are limited to the estimates contained in their Offer Notices. Invoices for these works are included with the annual Certificate of Actual Service Charge, which is sent to every leaseholder after the end of the financial year. Each invoice will be calculated on the basis of the stage payments and other costs incurred in respect of the contract during the year. The invoice will be payable interest free over a period of up to one year. For longer periods interest is chargeable, currently at 7.46%.

18.0 Project Management

18.1 Homes for Haringey have appointed a project manager to manage the project team. A risk assessment has been carried out and it will be reviewed at the monthly progress meeting.

18.2 The key members of the project team are as follows:

Graham Clarke	Project Manager – Homes for Haringey
Leonard Fevrier	Contract Administrator – Homes for Haringey
Paul Seward	CDM Co-ordinator – Gardiner & Theobald
Angela Lawson	Tenancy Housing Manager – Homes for Haringey

19.0 Health and Safety Implications

19.1 All contractors invited to tender have been assessed as competent under the Construction Health and Safety Assessment Scheme (CHAS), which is an industry-wide body. They also comply with the requirements of the Council's Health and Safety policy.

19.2 The Construction (Design and Management) Regulations 1994 apply to this project and the contractor's Construction Phase Health and Safety Plan will be checked and approved by the Planning Supervisor before works start on site.

20.0 Conclusion

20.1 That the procurement committee accept the recommendations outlined in section 3 above.

21.0 Use of Appendices / Tables

21.1 Appendix A Exempt information.